



PRESS RELEASE

September 22, 2008

FOR IMMEDIATE RELEASE

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Job Watch: State's unemployment still up, job growth still down Nationally, inflation way up at 5.4 percent, real wages falling

ALBUQUERQUE—New Mexico's unemployment rose by more than one third -- or from 32,300 to 44,400 persons -- between August 2007 and August 2008. Over that same time period, job growth was negligible, and several sectors lost jobs during the month of August this year. That's the latest from the US Bureau of Labor Statistics (BLS). These estimates do not include the fallout still to come from the current crisis on Wall Street.

A second federal economic stimulus package would help, as the first one raised the state's overall personal income.

"These numbers represent a substantial increase in people looking for work as the state's economy has cooled," said Gerry Bradley, Research Director for the child advocacy organization NM Voices for Children. "Labor market and personal income estimates are important economic indicators because they reflect patterns in living standards for the state's working population. When parents are out of work, their children suffer," he added.

New Mexico's unemployment rate rose from 4.1 percent to 4.6 percent, after adjusting for normal changes for the month and season. The state's job growth was a negligible 2,200 jobs in a work force of 848,000. Manufacturing lost 2,800 jobs from August 2007 to August 2008, reflecting layoffs at Intel, Eclipse Aviation, and TMC in Roswell, among other reductions. Construction jobs fell by 900 over the year as the housing bubble deflated.

"The nation's rising unemployment rate and mounting job losses show the need for a second round of economic stimulus for the nation's flagging economy," said Bradley. "The new round of economic stimulus should include an increase in federal support for the Medicaid program and increased eligibility for unemployment insurance, as well as spending on the nation's deteriorating roads and bridges, which creates jobs in the construction sector."

This weak demand for labor will quickly be reflected in lower wages and slowing overall personal income growth. The BLS reported last week that consumer prices were rising by 5.4 percent over the year. Nationally, real (inflation-adjusted) weekly wages were falling by 2.2 percent.

The state's economic growth, as measured by growth in personal income, rose from 1.7 percent in the first quarter of 2008 to 2.7 percent in the second quarter, according to the US Bureau of Economic Analysis. This increase was due to the rebate checks included in the national economic stimulus package passed last winter. Low-income states such as New Mexico benefited more than richer states from the economic stimulus checks because of the income limits on the rebate.

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The Fiscal Policy Project is a program of New Mexico Voices for Children and is made possible by grants from the Annie E. Casey Foundation, McCune Charitable Foundation, Public Welfare Foundation, and W.K. Kellogg Foundation.
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